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AN EVALUATION OF PSYCHOLOGICAL EFFECT OF U.S. EFFORT IN ITALY

INTRODUCTION

This paper, which is based upon contributions by the Department of State, Department of Defense, Central Intelligence Agency and Mutual Security Agency, is an attempt to assess the nature, impact and results of our national psychological effort in Italy from 1945 to the present. It is suggested that the national psychological effort be defined as the sum total of national policies and programs which, insofar as they have had an impact upon the psychological climate in Italy, have contributed or failed to contribute to the attainment of our national objectives regarding Italy.

Almost without exception, every step we have taken of major importance in and with regard to Italy during the past seven years, and some that we have taken on a world scale, have had an impact on the psychological climate of Italy--usually favorable, sometimes unfavorable. For instance, The Marshall Plan, the North Atlantic Treaty and the American resistance in Korea have had more positive effect on the psychological situation in Italy than any purely informational or propaganda effort not based on actions could have had. However, without the information and propaganda programs to exploit such actions the net results would have been less favorable to us than they have been. By the same token, the delay in Western efforts to secure a pro-Italian settlement of the Trieste question, and the failure to solve Italy's emigration problem, have caused psychological reactions in Italy which no propaganda could have prevented.

Therefore, measurement of the national psychological effort must be keyed to a judgment of our success in attaining over-all national policy objectives by all means employed, with primary emphasis upon the psychological factors involved. Accordingly this paper is presented in four sections: a brief chronological account of major policies and developments respecting Italy since 1945; a more detailed analysis of the relationship between U.S. policies and programs and major Italian problems of a psychological nature in the military, economic and political spheres; a discussion of information, cultural and exchange program; and a summary evaluation.

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SECTION I

A Chronological Account

1945-46

World War II ended with Allied forces occupying Italy, which had been granted the status of co-belligerent following the Armistice of 1943. It was U.S. and U.K. policy to allow the Italian Government a wide measure of freedom in the establishment of democratic government and the rehabilitation of economic and social life. Liberated areas had been turned over to the Italian Government for administration and military government had been withdrawn as rapidly as possible.

In its first post-war winter, Italy was faced with the problem of recovering from two paralyzing decades of Fascism capped by invasion, and, in a sense, civil war. The country had suffered an overwhelming military defeat, Allied troops were in occupation; the peace treaty was yet to be negotiated; law and order were yet to be reestablished; industry and trade were thoroughly disrupted; and the governmental future was still unknown. During 1945-46, the Italians staggered through these difficulties on a day-to-day basis. The government remained in the hands of a coalition of anti-fascist parties, including the Communists who at that time were joined in a war-created "united front".

U.S. policy at this time had as its long-range objective "enabling Italy to become a constructive element in a peaceful Europe." Economic relief proceeded on a piece-meal basis through private organizations, UNRRA and direct U.S. Government programs for providing essential commodities. These programs prevented actual starvation, but did not provide the basis for real recovery. Moreover, they did not prevent a sharp deterioration

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in the political climate during 1946. The Communists, still in the role of collaborators, gradually shifted towards outright obstructionism and denunciation of the allies and the democratic moderate parties. In the national elections in June 1946, the Communists won some 19 percent of the vote, the Socialist 21 percent and the Christian Democrats 35 percent. Municipal elections in November showed an accelerated trend to the Left. The economic situation also worsened rapidly.

Negotiation of the Peace Treaty, which imposed many sacrifices upon Italy, was bitterly resented by many Italians who felt that their share in the defeat of Germany had not been taken into sufficient account. The U.S. attempted to counteract the developing mood of anger and despair by increasing its diplomatic support of the Italian government, by receiving an official visit from DeGasperi, by concluding a commercial agreement with Italy and by continuing economic aid. However, the current seemed strongly against us.

1947-48

The year 1947 marked the low point in Italy's post-war fortunes. DeGasperi, goaded beyond endurance by Communist tactics, finally managed to eliminate them from the Government in May. The Communists thereupon launched a nationwide campaign of strikes, riots and individual and collective violence designed to sabotage recovery, destroy public confidence and prepare the way for a legal or possibly violent overthrow of the Government. In this campaign they were considerably strengthened by their control over all organized labor, cemented at the first post-war convention of the

unified labor organization, the CGIL, in May. Also helpful to the Communists was the mounting inflation and, in December, the withdrawal of remaining Allied troops in accordance with terms of the treaty.

Despite certain counteracting developments,--such as a split-off of a minority of Socialists from the Communist-led "united front,"--a halt to the inflationary spiral brought about by massive imports and sweeping credit restrictions, approval of the new Constitution and U.S. consideration of the European Recovery Program,--circumstances led to a profound fear late in 1947 both in Italy and abroad that the Communists had a very good chance of winning power in the spring elections of 1948.

In this situation, the U.S. Government determined that it should do whatever it could to bring about the economic recovery of Italy and a rapid rise in her standard of living in order to: (1) preserve the existence of Italy as an independent, democratic state, friendly to the U.S. and capable of effective participation in the effort to withstand Soviet expansion and Communist infiltration; and (2) support the current non-Communist government in maintaining public order and authority against the extreme left, and prevent a Communist-Socialist bloc victory in the elections or the seizure of power by these forces.

Actions in pursuance of these policies included stepped-up visits of American warships to Italian ports; official statements stressing that Italy would not receive U.S. economic aid should the Communists come to power; clear indications of support for moderate anti-communist political forces, and assistance to Italian police forces. Private groups in the U.S., with official encouragement, helped through gift-package campaigns, letter-writing campaigns, and radio broadcasts.

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Additionally, the U.S., U.K., and France joined in a Declaration to the effect that the provisions of the Peace Treaty with regard to Trieste had proved unworkable and that the entire Free Territory should be returned to Italy. All of these actions, together with a massive campaign by the moderate parties and Catholic lay groups in Italy, helped to give the moderates a resounding victory in the April elections. Combined, they won 65 percent of the popular vote, the Christian Democrats alone receiving nearly 50 percent.

1948-52

Italian confidence, however, did not assert itself until, in the wake of the elections, the Government proved itself capable of handling any Communist resort to violence. Disorders and a national strike engineered by the Communists following the attempt on Togliatti's life on July 14 served to demonstrate that the government's security forces were in most cases able to keep control, and that the workers would not follow the communists blindly in semi-insurrectionary strikes. It was then that Catholic dissidents broke away from the CGIL to establish an anti-Communist labor organization, the CISL. Finally, Congressional approval of the Marshall Plan assured the Italians of substantial economic aid.

With the consolidation of the democratic victory, U.S. policy evolved in terms of the following main objectives:

1. Maintenance in power of a broadly representative, moderate anti-communist democratic government friendly to the U.S.
2. Encouragement of friendship for the U.S., and solicitation of the support of the Italian government and the majority of the Italian people for basic U.S. foreign policy.

3. Encouragement of economic and political integration of Italy into the European and North Atlantic Communities.

4. Strengthening of the potential of the Italian armed forces within the limits of the Peace Treaty.

5. Encouragement of Italian economic recovery and of certain lasting economic and social reforms essential to making Italy a viable economic unit and to the establishment of long-run stability in Italy.

The Marshall Plan contributed substantially to Italian economic recovery and thus achieved in large part its chief objective. Italian production surpassed the 1939 level, as did the standard of living for the fully-employed. However, unemployment and under-employment have remained chronic throughout the period, and the Italian government's various efforts to deal with unemployment have succeeded only in preventing its increase. Progress on basic economic and social reforms has likewise been extremely limited.

International developments also contributed to the consolidation of Italian confidence that the communist threat, both external and internal was not beyond control. Yugoslavia's defection from the Communist bloc early in 1948 relieved the immediate threat from the East, although subsequent developments led to new difficulties in Italian-Yugoslav relations. Creation of the North Atlantic Treaty Organization, including Italy, committed the U.S. to defend Italy in the event of Soviet aggression. The military aid program beginning in 1950 and the removal of certain restrictive military provisions of the peace treaty in 1951 laid the basis for the beginnings of an Italian defense structure. Approval of the Schuman Plan signaled a move toward greater European integration which might bring Italy both economic benefits and increased security.

Security Information
SECRET

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Internally, the communists returned to tactics of moderation and legality, preserving their dominant position in the labor movement and gradually increasing their support at the polls. The Government refrained from taking strong measures against the Communists, although with the approach of the 1953 elections and the intensification of Communist agitation, DeGasperi demonstrated a greater willingness to press for anti-Communist measures.

With the attack on Korea, a new set of conditions developed. U.S. resistance in Korea helped to convince the Italians that they could count on us to fight should the Soviets attack Europe. At the same time, the shift in emphasis of our aid program from economic reconstruction to defense support, with its corollary demand for a sizable Italian defense effort, encountered resistance. Economically, the Korean conflict brought a renewal of inflationary pressures, which served to confirm the Government in its restrictive credit policy.

Currently, the Italian economic picture continues to be dark. Unemployment is some 10 percent up from a year ago, although large offshore procurement purchases under the Mutual Security Program are expected to counteract this situation somewhat. The Communists and allied parties have maintained their voting strength and indeed enlarged it, while the extreme rightist parties have grown rapidly, both at the expense of the Center. General popular dissatisfaction with the nation's lack of progress under the current government has been the primary cause of for this decline in the strength of the moderate coalition.

Security Information

SECRET

SECTION II

Major Policies and Problems

POLITICAL DEVELOPMENTS

During the past seven years, Italy's internal political problems have revolved largely around the Communist issue. In a sense, the Communist threat has done more to shape Italian political affairs and U.S. policy responses than has any other single influence.

It must be recalled that the Italian Communist Party (PCI) was in a most favorable psychological position at the end of World War II. Communist partisans had taken a leading role in the war-time resistance movement and shared with other anti-Fascist groups a general popular esteem, both in Italy and abroad. As in France, a coalition government including the Communists and their allies among the Socialists seemed at that time to be a natural development.

Failure to recognize earlier the threat implied in this situation contributed significantly to the growth in the PCI's power. During the period in which they had a relatively free hand, the Communists utilized every means of infiltrating the government, consolidating their control over organized labor, subverting Italian Socialism to their authority, and extending their popular appeal through agitation and propaganda. After the PCI had shifted from its moderate, cooperative tactic to one of violent attacking the Center, the danger became apparent both to U.S. and Italian policy makers. By this time there was grave doubt that the situation could be saved.

Events leading up to the elections of 1948 carried considerable psychological significance. On the other hand, the Communists, who were hewing

to a nationalist line, played skillfully upon the prevailing mood of popular despair compounded by the country's economic plight and the damage done to national prestige by Italy's overwhelming defeat in war and the terms of the Peace Treaty. On the other hand, the Christian Democrats, strongly supported by the Catholic Church, made effective use of U.S. moral and material support, evidence of the PCI's subservience to Moscow and the broad ideological-religious argument of incompatibility between Catholicism and atheistic Communism.

In this situation, U.S. policies and programs had the distinct psychological objective of contributing to a victory for the moderate coalition led by the Christian Democrats. Our shows of strength, our promises of greater economic aid conditioned upon defeat of the Communists and our various private propaganda efforts can be credited with a major and perhaps decisive influence on the election outcome. Our most important action, and perhaps the only case when psychological considerations actually determined U.S. policy on an important subject pertaining to Italy, was the Declaration of March 20, 1948 on Trieste. The statement caused a tremendous sensation in Italy, and contributed substantially to the Center victory. (see below for further discussion of Trieste.)

Developments in Italy's internal political affairs since 1948 have served to underscore certain psychological elements in the Italian scene which help to explain the continuing strength of the Communists. Italy, with little democratic experience and well-nigh ruined by two decades of Fascist rule and a devastating war, faces tremendous problems of social integration. Italian life is dominated by the struggle of the poor to achieve economic security and of the wealthy to hang on to what they have.

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This has resulted in a high degree of class consciousness and division. To this may be added the sharp regional division between Northern Italians, who enjoy an industrialized and reasonably modern socio-economic pattern, and Southern Italians, whose pattern is largely agrarian and quasi-feudal. Thirdly, Italians, while overwhelmingly Roman Catholic, are split by a strong tradition of anti-clericalism which asserts itself against the Church; while the latter, in its opposition to Communism, takes an increasingly active part in the nation's political life.

In this atmosphere, the Italian Communist Party has developed into a mass organization (1,800,000 members) with a fairly broad popular appeal. Over and beyond the advantages it has derived from a disciplined, conspiratorial leadership, a sizable para-military organization, and an ample supply of funds, the PCI has enjoyed psychological advantages inherent in the Italian scene. It has capitalized upon Italian labor's traditional vulnerability to class appeals and anti-clericalism to consolidate its leading position among the workers. By its identification with anti-Fascism, nationalistic goals, the "peace" campaign and, above all, the narrow economic interest of the average Italian, the PCI has built a broad popular following which, though not strongly doctrinaire in its loyalty, regards the Communist party as a respectable and effective medium for political action. And indeed as the only effective political force with the worker's interest at heart. Since its departure from the Government in 1947 the party has enjoyed an additional psychological asset in the average Italian's traditional attitude of hostility to government itself.

In contrast, the Christian Democratic Party, leader of the moderate coalition, is not a unified party with a recognizable doctrine but rather the receiver of those elements in Italy which oppose--either permanently

Security Information

SECRET

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or for the time being--the Communist and Fascist extremes. The CD includes diverse interests whose outlook ranges from liberal to reactionary, and who are unable to unite on a vigorous domestic program, including positive measures to destroy the Communist Party. The CD's identification with the Church is at once a source of considerable strength and considerable weakness. Given the party's almost exclusive responsibility for the policies of the present Government, the failure of that Government thus far to alleviate to any significant degree Italy's grave economic problems and to serve a satisfactory solution of the Trieste question has led to a progressive deterioration in the CD's popular support.

During this period, the psychological impact of most U.S. policies and programs vis-a-vis Italy unquestionably helped to maintain the DeGasperi Government in power and to prevent any greater deterioration in its popular support. The Marshall Plan led to a degree of economic recovery without which public confidence in the Government might have collapsed. (see Economic Developments for a more detailed discussion). U.S. encouragement of Italian participation in the economic and political integration of the Western European community, as in our support for Italian membership in NATO over British objections, helped to restore Italian national pride, redounding to the Government's psychological advantage. Similarly, our consistent support for Italy's application for UN membership (blocked by Soviet veto) and our concurrence in the release of Italy from the restrictive military provisions of the Peace Treaty, added to the Government's popular appeal. All of these steps likewise encouraged Italian friendship for the U.S. and support of basic U.S. foreign policy.

Security Information

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The most important issue in which U.S. policy since 1948 has had a negative psychological effect upon our central objective of maintaining the moderate democratic coalition in power has been the disposition of Trieste and the corollary Yugoslav question. As mentioned earlier, the joint Declaration of 1948 proposing the return of Trieste to Italy was greeted enthusiastically by all Italians. Almost immediately thereafter, however, Yugoslavia defected from the Soviet camp, relieving Italy of an immediate external Communist threat, yet at the same time complicating the Trieste issue.

No love is lost between the Italians and the Yugoslavs, who retain a bitter memory of the Italian occupation during World War II. As developing strategic requirements caused us to channel increasing economic and military aid to Yugoslavia, Italian resentment and fear for its claims upon Trieste mounted. The Italian Communists seized upon the continuing failure to implement the Declaration of 1948 to denounce both the Government and the U.S. So strong has been Italian sentiment regarding Trieste that all parties have climbed aboard the issue. Yugoslavia, meanwhile, has become & no less adamant in its claim upon the territory. Under the circumstances, the U.S. has sought to bring about a compromise settlement, on a basis of bilateral negotiation, but so far without success. It is generally accepted that failure to achieve a satisfactory settlement will saddle the DeGasperi Government with a major psychological handicap in the coming elections.

Security Information

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Security Information

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ECONOMIC DEVELOPMENTS

As already indicated, Italy's post-war economic paralysis called forth a series of U.S. and UNRRA aid measures aimed at countering disease and unrest. It was not until the U.S. launched the European Recovery Program in 1948, however, that we undertook a systematic program designed to get at some of the basic ailments of the Italian economy. Economic recovery, economic cooperation and economic reform were our interrelated objectives. Subsequently, with the development of the Mutual Security Program in 1951, emphasis was shifted to provide for the military requirements of Western and Italian defense against possible Soviet aggression, although in view of the continued severity of Italy's economic and political problems the development of Italian military strength is even now not the dominant aim of U.S. efforts.

As noted, the commodity relief and industrial recovery brought about by ERP had a considerable salutary impact upon the psychological climate in Italy. Moreover, ERP's emphasis upon the cooperative aspects of economic activity laid the groundwork for Italy's increasing support of European integration and Western objectives in general. The current military phase of economic assistance has been less successful in that it has incurred the resistance of those Italians who are less disturbed by any threat of Soviet ~~aggr~~ aggression than by their own economic and social problems. In general, however, the psychological impact of our aid program has been a major factor, first, in preventing revolution and, more recently, in making it relatively impossible.

Security Information
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Considerably less success is noted in promoting substantial progress toward long-range economic reforms, which are believed necessary to the attainment of a viable and stable Italian economy. Psychological factors are among the leading influences in this situation, which has tended to perpetuate Communist strength while contributing largely to the loss of Government strength. Following are details of some of the changes or reforms encouraged by our economic authorities and the psychological handicaps which they have encountered.

1. Military Production and Services: Non-Communist Trade Unions.

Insofar as the offshore procurement and other military production programs have made use of idle plant facilities and created additional employment opportunities, they have made a psychological contribution to the maintenance and improvement of Italian morale. However, the policy of utilizing these programs to strengthen Italy's non-Communist trade unions, the CISL and UIL, at the expense of the CGIL, has been pursued against heavy odds.

The CGIL (4,000,000 members) overshadows the CISL (1,200,000 members) and the UIL (200,000 members). Although the latter have won the right to participate on an equal basis with the CGIL in collective bargaining, they are still too weak to make much headway against the CGIL, especially in industrial plants capable of producing the items required by the OSP program.

Underlying this situation is the class division which is marked by mutual hostility between Italian industrialists and the trade unions. The CGIL, as the strongest of the unions, has benefited from the willingness of many employers to deal with the CGIL, in some instances paying it blackmail as the price of labor peace. At the same time, anti-clericalism has

Security Information
SECRET

16.

militated against growth of the CISL, which is identified with the Christian Democrats and clerical influence. Lack of strong leadership and effective appeal to the mass of workers has ~~has~~ also helped to prevent more than a modest growth in the strength of the non-Communist unions.

Consequently, progress in the utilization of economic aid to strengthen the CISL and UIL and to weaken the CGIL has been slight. Some contribution toward this objective, however, has been made by psychological operations as such (see below).

2. Counterpart and Credit: Land Reform

The U.S. veto power over the Italian Government's expenditures from counterpart funds has provided a potential lever for advancing national objectives in Italy. However, the Government, largely because of the diverse political backing discussed earlier, has practiced a policy of extreme financial conservatism, fearful of initiating any reform which might cause it to lose the support of any one of its several political factions and pointing constantly to the peril of renewed inflation. Thus the Government continues to react negatively or to yield very slowly to U.S. suggestions for a more liberal credit policy and for the use of counterpart funds for economic development.

U.S. encouragement of land reform helped measurably toward the enactment, in 1949, of a generally satisfactory land reform law. Again, however, the Government's internal weakness has prevented rapid ~~rapid~~ implementation of the law. Landowners as a class have opposed the reform. The Catholic Church, as the largest owner of unused arable land in Italy, has also showed a distaste for the reform even though church lands are exempt. Psychologically, land reform to date is only a potential asset. Aside from the alienation of

Security Information

SECRET

17.

aristocrats who are faced with the loss of land, the program has been seized upon by the Communists who are making fraudulent promises to the peasants--most of whom have yet to benefit from the program--in order to outbid the Government.

The Southern Development Fund, established by the Government in response to U.S. urging, has likewise made only limited progress, due in part to the Government's unwillingness to move rapidly in lifting credit and investment restrictions. Nevertheless, use of counterpart funds for various industrial, agricultural, public works and other projects has had some scattered and favorable impact.

3. Production Assistance Program

U.S. economic assistance to Italy has been accompanied by a major effort to stimulate interest in various union-management cooperative projects aimed at increasing industrial production. This effort has run head-on into Italy's traditional adherence to the notion of a restricted economy characterized by high prices and low wages, and the equally traditional acceptance of the continuing conflict between business and labor. Small markets, low production, the habit (accepted by management, government, Church and labor alike) of retaining half-idle people on the payroll, and extremely low wages paid out through illogical bonus systems are typical of Italian industry.

Even the reaction of non-Communist labor to the program has been lukewarm. The CIL and UIL are reluctant to support productivity schemes without some assurance that their members will share in the benefits and will not suffer layoffs resulting from increased production in a situation of limited markets.

Security Information

SECRET

SECRET

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A few firms are cooperating in the program. It is hoped that a series of pilot projects may eventually take root and set a wider pattern in Italian industry.

4. Tax Reform

U.S. economic authorities have also sought to encourage a basic reform in the Italian tax system. In 1950 a law was enacted introducing a graduated income tax. However, the tax structure is still dominated by a dependence upon heavy consumption taxes and, secondarily, property taxes. Moreover, efficient administration is handicapped by the prevalence of tax-fixing and bribery of government assessors. The failure of Italians to pay taxes if they can be avoided is related to their lack of real sense of public responsibility and their generally cynical attitude toward government.

5. Emigration

U.S. economic assistance, in its attempt to alleviate some of the basic ills of the Italian economy, has also tried to promote emigration as one of the answers to the nation's chronic unemployment problem. Unemployment stands at about 2,000,000 in a total working force of 18,000,000. Thus, the prospects of emigration hold the highest priority in the minds of Italians of all classes. In part, at least, public interest in emigration as a solution to the country's growing population and continuing unemployment arises from the fact that other countries must assume the lead. The emigration issue provides a means for shifting some of the blame for Italy's economic plight to other shoulders.

In this connection, U.S. immigration policy has been a constant irritant to the Italians. The quota system, which sharply limits Italian emigration to the U.S., bears the implication that Italians are undesirable immigrants.

Security Information
SECRET

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Further our visa regulations for visitors have damaged our reputation by harassing, delaying or excluding outright some Italians of former Fascist or Communist affiliation who are now honored members of the democratic forces in Italy.

The U.S., however, is not alone in its unwillingness to increase its quota for potential Italian immigrants. Despite U.S. contributions through IIO, IRO and the recently established PICMME, little substantial progress has been made in increasing the receptivity of other countries to Italian immigration. Psychologically, this represents a distinct handicap for the attainment of our national objectives in Italy.

MILITARY DEVELOPMENTS

Behind all of the military developments affecting Italy since 1945 lies the profound psychological impact of the war upon the Italian people. The quick collapse of the Italian forces after the Allied invasion of Sicily and southern Italy was followed by 18 months of bitter fighting with the retreating Germans, in which much of the country south of Rome was devastated. Italy was all but broken by her crushing defeat.

At the same time, U.S. policies and programs dating from the acceptance of Italy as a co-belligerent helped to ameliorate somewhat the general effects of the war. The rapid transfer of administrative control from Allied Military Government to the Italian Government, the rapid withdrawal of the majority of U.S. troops following the German surrender, and the supply of various military equipment and funds to the Italian Government helped to counteract somewhat the post-surrender mood of defeatism.

Security Information
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It is felt that lack of clear-cut national policy respecting Communists during the period when Allied Military Government was in control contributed to the growth of the PCI. As a result, AMG paid little attention to problems of public administration or economic and social reconstruction, at a time when adequate measures in these areas might have helped to curb the Communists. When U.S. policy did shift, however, military assistance in the strengthening of Italy's internal security forces, various shows of strength and the return to Italy of the reconstructed Ciampino airport at Rome had a favorable psychological impact which contributed to the victory of moderate parties in the 1948 elections. Withdrawal of remaining U.S. occupation forces in December 1947, although it made more difficult the immediate problem of internal security, also was a source of satisfaction to many Italians. Since 1948, U.S. military policies and programs have had as their general objective the strengthening of Italian will and capacity to resist external Communist aggression and internal subversion. Some progress has been made, despite substantial psychological handicaps.

The Mutual Defense Assistance Program, authorized in 1949, has allocated well over a billion dollars worth of military end-item assistance to Italy, with shipments through June 30, 1952 totaling \$180,000,000. Whether the gap between shipments and allocations has had any adverse psychological impact is not known. Offshore procurement contracts worth almost \$140,000,000 have been placed in Italy, contributing to economic improvements which have bolstered morale.

Our Military Assistance Advisory Group, established in 1950, has assisted Italian defense preparations, especially in the training of officers and non-commissioned officers, some of whom have been brought to the U.S.

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for schooling. The psychological potential of this program has been exploited with good propaganda.

Maintenance of U.S. troops in Italy, in the Leghorn Logistical Command for U.S. Forces in Austria, and in Trieste has made for complications in our efforts to maintain goodwill among the Italians. Inevitably, the presence of U.S. troops in Italy has led to friction with the civilian population, adding grist to Communist propaganda. Steps taken to alleviate this situation have had some success (see Psychological Operations).

The chief obstacle to strengthening Italy from a military viewpoint probably resides in the fact that the Italian people do not desire war in any form at any time. They would not welcome Soviet aggression, yet they regard such a possibility more lightly than do we. Consequently, despite perceptible progress toward our basic objectives, it appears unlikely that Italy will be more than a weak ally.

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SECTION III

Information Programs

U.S. propaganda operations in or affecting Italy have had an integral yet subordinate role in forwarding our national political, economic and military objectives respecting that country. It is well nigh impossible to determine where these operations have been less successful than they might have been had they been conducted differently, and where they have been more successful. It can be said that, within the framework established by U.S. policies and programs on the one hand and Italian attitudes on the other, our psychological operations as such have contributed to the attainment of national objectives. On a comparative basis, the effort in Italy is felt to be the best in Europe.

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Briefly, U.S. information programs have concentrated upon the creation of Italian attitudes favorable to the successful implementation of our national objectives. Through the information programs the U.S. has sought to communicate and to extend the psychological impact of U.S. policies and programs, when favorable, and to counter and limit the impact when unfavorable. Major objectives have been the support of democratic concepts and forces, the undermining of Communist power and influence, and the promotion of Italian ties with the West.

pro-democratic themes. Information, cultural and exchange programs have helped to promote among Italians friendship and respect for the U.S. and its policies.

Effective steps have been taken to indoctrinate U.S. troops in Italy and to reduce the number of incidents arising from friction with the local population. Cooperation among all U.S. authorities in Italy has contributed to the success of this program. Likewise, the integration of USIS and MSA information programs has added to their combined effectiveness.

Some of the difficulties which our information programs face have been self-imposed. The earlier feast-or-famine approach to budgets for the United States Information Service disrupted programs and personnel.

Security Information

SECRET

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The chief problems affecting the success of U.S. propaganda operations, however, have stemmed from the attitudes of the Italians themselves and of their government. Whenever our over-all policies and programs have dove-tailed with Italian objectives and attitudes, propaganda operations have made only limited progress in overcoming these objectives and attitudes.

Whether a substantially larger information program might have done more to promote national objectives, given all the other factors involved, is impossible to say. It is suggested, however, that short-range policies and programs militate against the maximum effectiveness of the information program.

Security Information

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SECTION IV

Summary Evaluation

The psychological impact of U.S. diplomatic, economic and military policies and programs, assisted by U.S. information activities and special operations, has aided materially--perhaps decisively--the achievement of the following situation in Italy:

1. There remains in power a broadly representative, moderate, anti-Communist government friendly to the United States. The psychological impact of American economic programs and the joint American-British declaration on Trieste were perhaps decisive factors in beating back the Communist bid for power in 1948.

2. Conversely, the Italian Communist Party, although still very strong, has been so circumscribed in its freedom of action that it does not now pose an intolerable and immediate threat to the security of the country.

3. Italy is an enthusiastic supporter of the North Atlantic Treaty and has been a leader in steps towards economic, political and military integration of Europe.

4. The Italian Government gives support to basic U.S. foreign policy. Despite Communist influence, there exists among the Italian people, a large reservoir of good will for the United States and for Americans.

Where popular or official Italian attitudes have run counter to our national objectives, the psychological impact of our policies and programs has been less pronounced:

Security Information

1. The Italian Government has remained reluctant to undertake various basic reforms deemed essential to long-run economic stability. As a result, the Government has suffered considerable attrition in its popular support.

2. Despite considerable rehabilitation of national pride, Italy remains a doubtful quantity in the event of Soviet aggression in Europe.

3. The willingness of Italians to resist and prevent Communist subversive activities such as political strikes has been strengthened, but most Italians still look on the Italian Communist Party as a respectable party.

In two respects, the psychological impact of U.S. policies has proved a definite handicap to the achievement of objectives with respect to both the Italian Government and the Italian people. Furthermore, the Italian Government, which has been identified by the Italian voters with the United States, has lost popular support because of these failures.

1. Our failure to implement the Declaration on Trieste, which had such a marked influence on the 1948 elections, has rankled in the minds of all Italians. Together with the concurrent growth in our support of Yugoslavia, the Trieste situation has aggravated our psychological problems in Italy.

2. Despite a number of efforts to expand opportunities for Italian emigration, U.S. immigration quotas for Italians remain a continuing psychological handicap as well as physical barrier. Recent visa policy has been a further source of Italian resentment against the U.S.

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Italy Eval.

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		REC'D	FWD'D		
1. <i>PP/PP</i>					
3. <i>PP/PP</i>					<div>25X1</div> <div><i>file</i></div> <div><i>- retention</i></div>
4. <i>DCI</i>					
5. <i>ER</i>			<i>4/14</i>		
6.					
7.					
8. <i>PP/PP</i>					
9.					
10.					
11.					
12.					
13.					
14.					
15.					<i>B-110</i>